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MEMORANDUM FOR D/DCI/NIPE

SUBJECT : The Management Aspects of the DCI's Coordination of the U. S. Foreign Intelligence Effort

RELATED REFERENCES : a. Memorandum from Chm. PFIAB to DCI, dated 3 June 1964.  
b. Memorandum from Mr. McGone to General Carter, dated 11 June 1964.  
c. Memorandum from Mr. Parrott to Mr. Gross, dated 9 July 1964

1. In Reference a. the PFIAB provides a solid base from which to make your own unilateral attack on the DCI's Community management problem, and a specific and high level requirement for information of the type and in the form that he requires in order to make a meaningful report to the PFIAB on these aspects of his coordination job.

2. In Reference b. the DCI emphasizes the value of this annual report to the PFIAB as a means of acquainting them with any deficiencies, limitations or conflicts of authority and responsibility which inhibit the DCI from carrying out the basic objective of his coordination job, set forth in the foreword to NSCID No. 1: "The intelligence effort is a national responsibility and must be so organized and managed as to exploit to the maximum the available resources of the Government and to satisfy the intelligence requirements of the National Security Council and of the departments and agencies of the Government."

a. With respect to possible "conflicts of authority and responsibility", I would suggest that the DCI and the Community are now faced with, at worst a "conflict", and at least, an undesirable uncoordinated and costly duplication of effort by the BOB, the PFIAB, and in DOD, the OSD, who are all demanding voluminous information from the Community. Only the DCI, the man whom even the Chairman/PFIAB describes as the Senior Intelligence Officer of the Government, has so far failed to demand any special reports from the Community. In fairness to BOB and the OSD, it must be noted that they now make a joint "attack" on the DOD intelligence community with varying degrees of participation by representatives of the DCI, and do make the resulting reports

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(CCP and CIP) available to him.

b. The latest letter from Mr. Clifford makes it clear that the reports they have requested from Defense and State will not be made available to the DCI; presumably, they have no objection to his being privy to the report made to the Board by the CIA. The PFIAB will independently study these reports and present their findings to the President. The DCI is apparently expected to report to the Board on his coordination problems without knowledge of any relevant facts or issues which State or Defense may raise in their reports to the Board. However, in this same letter, Mr. Clifford appears to suggest that the DCI develop, like the Board, his own independent information requirements and lay them on the Community. It is hard to imagine a situation more conducive to compounding the confusion that already exists within the Community with respect to the DCI's coordination role, especially in the area of management. I believe the DCI can lick this problem and propose a solution further on in this paper. The gist of the idea is that he get in behind the front lines of the Community members and join forces with them in their confrontation with such outsiders as the PFIAB, BOB, etc., and get from them the kind of operational information that is the foundation for the future programming and budgeting--in other words, he gets their last word with the mostest information.

c. The DCI also proposes that [redacted] and other staff members of the Board confer frequently with you and Kirk. In this connection, I would urge that the NPIA Staff have its own unilateral working level liaison with the Board's staff on matters which deal with Community-wide problems and transcend those of any individual department or agency; in addition to the practical work-a-day values of such an arrangement, it would further strengthen the image of your staff as representatives of the DCI, completely separated from his role as D/CIA.

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3. As Tom Parrott points out in Reference c., we should receive the State, Defense and CIA reports to the PFIAB, not only for their information value; but, more importantly, because it is right and proper for the Senior Intelligence Officer of the Government to have them, unless we are to assume that the PFIAB is, in fact, the President's IG to which the Community members may secretly report their gripes. Assuming the DCI does, and I believe he can, convince Mr. Clifford that he should have these reports, we need to get them promptly so that we have sufficient time to study them. Assuming we did get them on 1 October, a deadline of 15 December for the Community report would be a bare minimum of time to do a good job on them, even if they did, in fact, provide the kind of "basic raw material" that we need; a prospect which, on the basis of past experience is highly unlikely. These reports will be unilaterally prepared, uncoordinated, and subject to the divergent interpretations of the report outline that usually happens in such cases; for these reasons, it is doubtful that the data will be sufficiently comparable for us to match the pieces and develop a mosaic that will enable the DCI to observe the true totality of our foreign intelligence effort from the two basic perspectives common to any and all of its parts:

- a. The Target Country Perspective.
- b. The Intelligence System Perspective.

4. The Target Country Perspective (TCP) is essential to enable the DCI to determine whether or not the U. S. foreign intelligence effort is properly balanced in terms of those national interests which are related to this country's relations with foreign nations. The only justification for spending the taxpayer's money on a foreign intelligence effort is that its product is essential to enable this Government to maintain at all times the posture vis-a-vis every foreign nation that is required for the protection of our national interests.

- a. From the DCI's Community-wide point of view, it is not at all sufficient for him to know merely how much money and manpower is invested in the collection of political information, the production of

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5. The Intelligence System Perspective (ISP) is essential for the DCI to determine whether or not the basic parts of the foreign intelligence effort are properly mixed and balanced as a whole, or as applied to individual countries or groups of countries. This effort must be looked at as a system which has four basic parts and all must operate effectively for the effort to be successful, they are: COLLECTION, COUNTERINTELLIGENCE, PRODUCTION and SUPPORT. The first three are the cutting edges of the intelligence system and it is on these fronts only that you can win or lose the game. (Counterintelligence, by NSCID definition, includes the collection of information, the production of a finished intelligence product, and offensive counteraction against other intelligence services.) No intelligence effort against any target country can be effective unless all three of these cutting edges are present in the system and, in proper balance or "mix".

6. Support involves a whole host of services, some are absolutely essential in all situations such as communications, others vary according to circumstance. For instance, a good translation service may be a must in one case and unnecessary in another. Some support services can be broken out on a target country basis, others cannot. However, important as they are, none of the support activities of and by themselves, collect any information, produce any finished intelligence, or counter the intelligence activities of other countries. Even the most exotic and expensive R&D projects pay off only when and if their breakthroughs can be effectively exploited on one of the front lines of the intelligence system.

a. The bookkeepers of the Community, and rightly so, are interested in getting at the total cost of the intelligence effort and therefore strive to allocate as much of the support as they can to the cutting edge activities being supported; the picture of the effort thus portrayed in the various programs and budgets in the Community is fine for the bookkeepers. But ILLEGIB  
not worth a tinker's dam to the DCI who must know how much [redacted]  
and material is directly and productively engaged in Collection, Production  
and Counterintelligence, and should know the same for Support.

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7. For far too long it has been the practice in this Community to consider the separate parts of the foreign intelligence effort individually, its totality. We must stop talking about improving our collection effort America for example and, instead, talk about improving our Intelligence. To do this, we must first have a census that will identify the total manpower and material devoted to each of the four main parts of the System Collection, Counterintelligence, Production, and Support, with initial and primary attention to the first three.

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8. The DCI must do what William the Conqueror did in England almost 900 years ago; get up his own Domesday Book for this Community. Certainly if William, under the conditions prevailing in his time, could take a census so complete that there was not one ox or one cow or one pig in all England that was not put down in his record; John the Coordinator can take a census that will not leave unrecorded one Collector, one Counterintelligence, one Producer or one Supporter anywhere in this Community, at home or abroad. Paragraph 3c of NSCID No. 1 gives him the authority to make such a census and the PFIAB requirement that he make an annual Community report demands that it be done now. Finally, let me suggest to the reader that the name "Domesday Book" is no less appropriate for the Coordinator's census than it was for the Conqueror's--John, like William, will spare none but judge all men without

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9. Bits and pieces of the type of information required for this census are available in the Community. However, such information is not available in the program and budget documents that we have been working with up to now. None of them are designed to give the DCI the kind of information he needs; because most are dominated by other than intelligence considerations.

a. The CIP, for example, is designed to fit in with the overall programming and budget system of the DOD and therefore is broken out into "elements" that fit that system, rather than into the basic parts of any intelligence system. The net result is that the CIP does not provide a clear picture of the balance and mix of the DOD foreign

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effort on an overall basis or from a target country perspective.

b. The CIA budget is strongly influenced by the necessity to meet the requirements of the Bureau of the Budget and the Hill (object class data, etc.), and by the desire of the Agency budgeteers to obtain as much support (overhead) cost as they can under one of the operational budgets; this may be an admirable objective from a budget point of view but it has the less desirable effect of preventing the DCI from getting a clear view of the cutting edges of the Agency's effort.

c. The type of information the DCI needs is now in the hands of, or can most readily be obtained by, the "operators" who are in direct charge of the collection, counterintelligence, production and support machinery within the Community. It will be found, I believe, in such documents as DIA's collection plans, CIA's operational programs and projects, etc., not in the documents produced by the programme's and budgeteers. This, in fact, is a distinct advantage because it means that in taking our census we do not have to disturb those people in the Community who are continually tied up with the programming/budget cycle and have little time or inclination to get up any special data not needed in their regular work.

d. In the DOD, for instance, I believe we should work directly with the Collection Management Officer under the Assistant Director for Acquisition, with the Production Management Staff of the Production Center, and with their closest counterparts in the fields of Counterintelligence and Support. It is recognized that in the DOD we have activities included in the CIP that do not neatly fall into one or more of the basic parts of an intelligence system as described above; mapping and charting is a case in point, but if it is to be considered a part of the overall foreign intelligence effort and subject to the coordination responsibility of the DCI then he must be in a position to observe it from an intelligence point of view.

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10. There is another problem within the Community which has a direct bearing on the DCI's ability to coordinate it in terms of "managing" [REDACTED] intelligence effort as a national responsibility, and with primary emphasis on the intelligence objectives this effort is supposed to achieve.

a. Increasingly over recent years the operating personnel within the Community have been constantly on the defensive against the BOD... [REDACTED] their counterparts within the departments and agencies, with their [REDACTED] [REDACTED] in most cases, largely in charge of the budgeteers within their own [REDACTED] zations who, like the BOD people, seek to win brownie points by cutting and slashing at money and manpower--and rightly so, it is their job.

b. It is not the primary job of the DCI to protect the fiscal integrity of the Government; there are many dedicated to that cause. The DCI's job is to develop, promote and manage an overall intelligence system that will ensure our national security, including the assurance that we can protect all that the budgeteers have so industriously saved.

c. The DCL as the senior intelligence officer of the Government must be in a position where he can honestly and wholeheartedly defend, against all comers, whatever size, mix, balance and employment of intelligence resources the Community, in its corporate judgment, considers essential to achieve a fully effective foreign intelligence effort.

To do this, he must have a thorough knowledge of the totality of the intelligence forces currently in being, especially the cutting edges, and be in a position to influence the future plans and proposals of the Community members, prior to the initiation of the formal programming and budget cycle each year. Any disagreements between the DCI and the Community, or among its members, should be fought out within the intelligence family alone, so that, to the greatest extent, they can present a united front when the time comes to subject their proposals to the scrutiny of "outsiders", rather than be individually chopped to pieces without benefit of any assistance from the DCL. If the intelligence effort

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of the U. S. is a national responsibility then it should be nationally

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d. In contrast to the idealistic approach inherent in the proposals outlined above, the more practical cynic would probably have this to say. The members of this 'so-called intelligence "community"' are states-right minded that they will not join forces, even to defend themselves; most of them are so low on the totem poles of their respective organizations that the corporate authority vested in them by virtue of their membership on the USIB is of little real value; within the military, intelligence is a function of command and not subject to outside "interference"; the CIA is a loose federation of federal agencies who will wear no man's collar; the NSCIDs are scraps of paper and the Community a Potemkin Village.

e. I would suggest that coordination, like politics, is the art of the possible and that the best progress in this field will be made by those whose motivating force is a nicely balanced blend of idealism ILLEGIB to drive them to keep trying for the things they believe in, and [redacted] to curb their desire to do too much too soon.

II. At this point in time, let us start our community-wide census with this initial and limited objective:

a. Identify the total number and the location of those U. S. personnel within the Intelligence Community, at home or abroad, who are fully and productively engaged in each of the following three basic parts of the intelligence system:

- (1) Collection
- (2) Counterintelligence (including counterespionage)
- (3) Production

b. Break-out the identified Collectors in accordance with the type of collection activity in which they are engaged, i. e., use of human resources (further broken between overt and clandestine), COMINT,

[redacted] etc. The specific break-outs would be firmed up after consultation with the "collection chiefs" in the Community.

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The Producers would be broken out in terms of the finished intelligence product involved, i.e., political, economic, etc.

c. For each target country, determine the size and nature of the intelligence system targeted against it, i.e., how many U.S. personnel are directly and productively engaged in collection, counterintelligence and production work against such country.

12. Upon completion of the census identifying the U.S. personnel engaged in the cutting edge parts of the intelligence system, the next (second) phase would be to work out a method for identifying that material which these personnel use themselves in carrying out their collection, production and counterintelligence work, i.e., material essential to the job to be done. The next (third) phase would be to work out a system for costing in general terms, split-penny accuracy is not necessary, both the manpower and material that comprise these cutting edges of the intelligence system both in totality and on a target country basis. The final (fourth) phase, and this would be a complicated one, we would develop our census and cost system for the Support area, including a method for identifying the support efforts that should properly be identified with the cutting edge(s) [redacted] supported because they would be unnecessary if there were no such activities to be supported. The other product of this effort would be a clear identification of those support activities that are clearly across the board or, program wide in CIA terms and therefore affected by changes in the total of the intelligence effort being supported rather than its individual parts.

SIGNED

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Assistant to D/DCI/NIPE

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Distribution:

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